



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 16, 2011

CERTIFIED RETURN RECEIPT

7005 0390 0000 7507 4689

Bruce Mitchell
Sawtooth Stone LLC
103 West Center
P. O. Box 49
Oakley, Idaho 83346-0049

Subject: Notice of Cancellation/Termination of Reclamation Letter of Credit Number [REDACTED],
Sawtooth Stone, Sawtooth #1 Quarry, M/003/0067, Box Elder County, Utah

Dear Mr. Mitchell:

Please review the enclosed notice of non-renewal notification from Zions Bank indicating letter of credit (LOC) [REDACTED] in the amount of \$37,400.00 for the Sawtooth #1 quarry will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a 90-day notice is given to the Division. These terms have been met; therefore, effective August 24, 2011, the LOC will be not be renewed. Paragraph five of the Reclamation Contract says the operator shall provide a replacement surety within 60 days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety no later than July 22, 2011, or the Division will be forced to do any/some of the following:

- Carry out the terms of LOC number [REDACTED]
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit.
- Issue a cessation order requiring the cessation of all mining operations and the immediate reclamation of all lands affected. A fine will be associated with the cessation order.

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

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